

each subsequent Period it shall be assumed that any such reduction had taken place during the first mentioned Period.

- 24B.8 Where the Licensee makes a material change (other than as to the amount of a Private Circuit Price) in any service for which a Private Circuit Price is charged or in the date on which its financial year ends or there is a material change in the basis of the Retail Prices Index, this Condition shall have effect subject to such reasonable adjustment to take account of the change as the Director may, after consultation with the Licensee, determine to be appropriate in the circumstances; and for the purposes of this paragraph a material change in any service includes the introduction of a new service wholly or substantially in substitution for that existing service.
- 24B.9 Subject to this paragraph this Condition shall not have effect in relation to a new service, the charges for which would otherwise be Private Circuit Prices, other than a new service to which paragraph 24B.8 applies. In relation to a new service other than one to which paragraph 24B.8 applies the Director may, after consultation with the Licensee, in any Relevant Year during which it is first possible, from the Relevant Financial Year accounts, to ascertain 12 months actual revenue in respect of that service accrued in relation to that Relevant Financial Year, determine that the charges for that service shall in the subsequent Year be Private Circuit Prices and this Condition shall, from that subsequent Relevant Year, apply accordingly.
- 24B.10 If the Licensee imposes a specific charge or an increased charge in relation to any goods or service which up to the time when the charge or increased charge is first imposed had been provided without charge or at a lower charge and the Director determines after consultation with the Licensee that previously Private Circuit Prices were wholly or substantially financing those goods or services, that charge shall, unless the Director determines otherwise, be a Private Circuit Price and this Condition shall have effect subject to the following provisions:
- (a) the Licensee shall produce a forecast of the revenue expected to accrue as a result of the charge or increased charge for the goods or service over a period of twelve months from the date of introduction or increase of the charge;
  - (b) the forecast shall be expressed as a percentage of the total amount of revenue reasonably believed by the Licensee to have accrued in respect of Private Circuit Prices during the Relevant Financial Year which relates to the Relevant Year during which the charge is introduced or increased;
  - (c) the Controlling Percentage for that Relevant Year shall be reduced by that percentage;
  - (d) an adjustment shall be made to the Controlling Percentage for that Relevant Year in respect of which it is first possible, from the Relevant Financial Year accounts, to take into account a comparison

between the first 12 months' actual accrued revenue from the charge and the forecast referred to in sub-paragraph (a) above, whereby the Controlling Percentage for that Relevant Year shall be increased or reduced (as the case be) by the difference between the forecast amount referred to in sub-paragraph (a) and the amount of actual accrued revenue (the difference to be expressed as a percentage of the total amount of revenue accrued in respect of Private Circuit Prices during the Relevant Financial Year which relates to that Relevant Year);

- (e) further adjustments shall be made to the Controlling Percentage referred to in sub-paragraph (d) and adjusted as specified therein:
  - (i) where there is any difference between the forecast referred to in sub-paragraph (a) and the actual accrued revenue referred to in sub-paragraph (d), in order to compensate for the extent to which, by virtue of that difference, Private Circuit Prices in previous Relevant Years have been too high or too low (as the case may be); and
  - (ii) where there has been any variation in the charge for the service between the Relevant Year referred to in sub-paragraph (b) and the Relevant Year referred to in sub-paragraph (d) which the Director, after consultation with the Licensee, determines should be taken into account for the purposes of calculating the Controlling Percentage;
- (f) The adjustments referred to in sub-paragraphs (d) and (e) shall be made in the precise manner which the Director determines to be appropriate in the circumstances, after consultation with the Licensee.

24B.11 If the charge or increased charge for any goods or service covered by paragraph 24B.10 is altered following its introduction but before the adjustment referred to in paragraph 24B.10 (d) can be made then, in respect of that charge, in calculating the amount of a Percentage Change in Private Circuit Prices in paragraph 24B.6, the forecast set out in paragraph 24B.10 (a) shall be substituted for the amount referred to in paragraph 24B.12 (a).

24B.12 The Licensee shall no later than the time at which it notifies or should have notified under Condition 16 the Director of any amendment of any charge which is a Private Circuit Price inform the Director in writing of:

- (a) the amount of revenue which the Licensee reasonably believes to have accrued in the Relevant Financial Year for each service in respect of which a Private Circuit Price is charged; and
- (b) the amount of each Private Circuit Price at the beginning of the Relevant Year.

24B.13 Without prejudice to its obligations under Condition 16 in relation to Private Circuit Prices, the Licensee shall as soon as practicable after the end of each

Period in which there has been a change in a Private Circuit Price inform the Director in writing of:

- (a) the changes made or new charges imposed in relation to any Private Circuit Price during the Period specifying its nature and amount and the service for which the Price is charged; and
- (b) the amount of the Percentage Change in the relevant set of Private Circuit Prices which has taken place during the Period and whether by way of increase or reduction.

24B.14 In this Condition:

“International Private Circuit” means a communication facility:

- (i) which is provided by means of both a telecommunication system comprised in the Applicable Systems and a telecommunication system in a country or territory other than the United Kingdom;
- (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in (i) and other telecommunication systems;
- (iii) which is made available to a particular person or particular persons;
- (iv) which is such that all of the Messages transmitted at any of the points mentioned in (ii) above are received at every other such point; and
- (v) which is such that the points mentioned in (ii) above are fixed by the way in which the facility is installed and cannot be selected by persons or apparatus sending Messages by means of that facility;

“International Videoconferencing” means a communication facility consisting in the simultaneous point to point conveyance by means including the Applicable Systems between a place or places in the Licensed Area and a place or places outside the United Kingdom of voice telephony Messages and associated visual images (an “International Videoconferencing Service”) whether or not on any particular occasion the International Videoconferencing Service includes a service between two places in the Licensed Area or between a place in the Licensed Area and a place in the United Kingdom;

“Land Mobile Radio Service” has the same meaning as in Condition 18;

“Ordinary Maintenance” means maintenance which is part of the service provided by the Licensee in consideration of the periodic Private Circuit rental and International Private Circuit rental for any particular category of Private Circuit or International Private Circuit and includes normal fault repair as defined in the Licensee’s standard terms and conditions;

**“Offshore Private Circuit”** means a communication system which is:

- (i) provided by means of both a telecommunication system comprised in the Applicable Systems and a telecommunication system which is on any installation which is maintained in waters to which the Mineral Workings (Offshore Installations) Act 1971 applies;
- (ii) for the conveyance of Messages between points, all of which are points of connection between a public telecommunication system and a telecommunication system which is not a public telecommunication system;
- (iii) which is made available to a particular person or particular persons;
- (iv) which is such that all Messages transmitted at any of the points mentioned in (ii) above are received at every other such point; and
- (v) which is such that the points mentioned in (ii) above are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or apparatus sending Messages by means of that facility;

**“Period”** means a calendar month or such longer period as the Director may determine;

**“Private Circuit Prices”** means all periodic and other charges imposed by the Licensee by way of any Standard Price for the provision use and Ordinary Maintenance of:

- (a) a terrestrial Private Circuit, provided by the Licensee which is wholly situated within the Licensed Area other than:
  - (i) a Private Circuit used to provide analogue presented broadcast sound and vision services and a Private Circuit used to provide closed circuit television services;
  - (ii) a Fixed Link provided to any person authorised by a Licence to provide Land Mobile Radio Services where such Link is provided solely for the purpose of facilitating the provision by that person of such Services;
- (b) that part of an International Private Circuit provided by the Licensee by means of the Applicable Systems, other than:
  - (i) an International Private Circuit used to provide broadcast quality sound and vision services;
  - (ii) an Offshore Private Circuit;
  - (iii) a VSAT Service;

- (iv) a circuit used in the provision of International Videoconferencing services by the Licensee;
- (c) Virtual Private Networks;

provided that:

- (i) each discrete charge of any such description shall be treated as a separate Private Circuit Price (any reference in this Condition to an individual Private Circuit Price being a reference to the total charge imposed by the Licensee in respect of the periodic rental or the connection charge, as the case may be, for the circuit in question and not to any element comprised in that total charge); and
- (ii) such charges so imposed in respect of Virtual Private Networks shall not be treated as Private Circuit Prices unless the Director has determined after consultation with the Licensee (and not revoked such determination but without prejudice to his power to make a further determination) that those charges (or any of them) shall be so treated for any period commencing after 31 July 1994;

“Relevant Year” means any of the four periods of 12 months beginning on 1 August starting with 1 August 1993 and ending on 31 July 1997;

“the Relevant Financial Year” means in relation to a Relevant Year the financial year of the Licensee ending last before the beginning of the Relevant Year, being a financial year in respect of which annual accounts have been prepared and audited in accordance with the requirements of the Companies Act 1985;

“Retail Prices Index” means the index of retail prices compiled by Her Majesty’s Government in respect of all items;

“Standard Price” means any price charged or offered by the Licensee:

- (a) before the application to it of any discount; and
- (b) in relation to a contract for a fixed term, before the application to it of any discount or premium;

“VSAT Service” means a telecommunication service consisting in the conveyance by means including the Applicable Systems, earth orbiting apparatus and a terrestrial telecommunication system outside the United Kingdom between a point in the Licensed Area and more than one point outside the United Kingdom of Messages whether or not on any particular occasion the conveyance includes a transmission between points in the Licensed Area or between points in the Licensed Area and points in the United Kingdom;

“Virtual Private Network” means an assembly of transmission, switching and network control apparatus and functions, embedded within a public telecommunication system, as used to provide services at least equivalent to those capable of being provided by a network of Private Circuits;

Any reference to “service” which is not part of the expression “goods or service” shall be taken to include a reference to goods for the purposes of paragraphs 24B.10 and 24B.11.

References to accrued revenue are references to the amount of revenue which would be produced if all prices were Standard Prices.

- 24B.15 This Condition shall not apply to such extent as the Director may determine upon request by the Licensee.
- 24B.16 The Director may, after consulting the Licensee, determine that any periodic or other charge imposed by the Licensee by way of any Standard Price for the provision use and Ordinary Maintenance of a Virtual Private Network shall, instead of falling within the definition of Private Circuit Prices in paragraph 24B.14, fall within the definition of General Prices in Condition 24A.15. The Director may revoke any such determination and, where he does so, the charge which was the subject of it shall once more fall within the definition of Private Circuit Prices.

## **CONDITION 24C**

### **TREATMENT OF CONDITION 17A "PACKAGES" FOR PRICE CONTROL PURPOSES**

24C.1 This Condition shall have effect for the purpose of securing in accordance with the following paragraphs that:

- (a) no new benefits to the Licensee's customers arising from variations in its charges or manner of charging for Packages are brought into account for the purpose of ascertaining whether the obligation imposed on the Licensee by Condition 24A.1 has been satisfied; and
- (b) the Licensee, where benefits (including discounts) in existence on 31 July 1993 are withdrawn, makes compensating reductions in its other prices which are subject to the controls imposed by Condition 24A.

24C.2 The Licensee shall estimate as at 31 July in each Relevant Year the numbers of its customers who take:

- (a) Packages; or
- (b) Standard Price combinations of the type described in Condition 24A.1E (with the addition of combinations which include a non-periodic fee),

which it has offered in that Year. On the basis of that estimate the Licensee shall calculate, on a weighted average basis, the amounts of accrued revenue which it would have forgone (or gained) in respect of each such Package or Standard Price combination in the associated Relevant Financial Year (except any revenue attributable to Reference Prices as defined in Condition 24A.1E) on the assumption that those Packages or Standard Price combinations had been offered to its customers in that Financial Year. The aggregate of those amounts plus any increase in revenue forgone pursuant to Condition 24D.2A shall be the estimated Discount Yield for the Relevant Year.

24C.3 The Licensee shall send the Director a forecast of the Score attributable to Packages as at 31 July 1993 and of the Percentage Discount Yield as at 31 July immediately preceding each Relevant Year thereafter. The Score and the Percentage Discount Yield shall be calculated in the precise manner and provided at times determined by the Director after consultation with the Licensee.

24C.4 If in respect of any Relevant Year it transpires that the Percentage Discount Yield is less than the Score, the difference between the Score and the Percentage Discount Yield shall, at the option of the Licensee be either deducted from the Controlling Percentage or added to the Score, or partly the one and partly the other, for the next following Relevant Year, but for that Year only.

24C.5 If in respect of any Relevant Year the Licensee elects to reduce the Percentage Discount Yield below the Score, the difference between the Score and the Percentage Discount Yield shall be deducted from the Controlling Percentage for that Year (and that Year only) and deducted from the Score for that Year and each succeeding Relevant Year.

24C.6 The Licensee shall furnish to the Director, at such times and in such manner as the Director may request, sufficient accounts, information, estimates, forecasts and returns to enable the Director properly to assess the operation of this Condition 24C and in particular to establish whether:

- (a) any reductions in the Controlling Percentage or additions to the Score which are required by paragraph 24C.4 above have been properly made; and
- (b) any reductions in the Controlling Percentage and the Score which are required by paragraph 24C.5 above have been properly made.

24C.7 When it proposes to amend or substitute a Package or a Standard Price combination of the type described in paragraph 24C.2(b) or to offer a new Package or Standard Price combination of that type or there is (or will be) a material increase in the revenue forgone under the Residential Low User Scheme which may be brought into account under Condition 24D.2A for the purpose of calculating the Discount Yield, the Licensee shall:

- (a) no later than the time at which it notifies or should have notified the Director under Condition 16 of any such amendment, substitution or offer; or
- (b) when it becomes aware that there is or will be such a material increase,

as the case may be, inform the Director in writing of any necessary adjustment to the forecast Percentage Discount Yield created by such amendment, substitution or offer or such increase.

24C.8 In this Condition:

“Controlled Revenue” is the revenue accruing (grossed up so as to leave all discounts out of account) to the Licensee in respect of those Services (other than terrestrial Private Circuits and International Private Circuits) the prices of which are subject to the price control provisions of the Condition numbered 24A of this Licence immediately before the coming into effect of this Condition;

“Controlling Percentage” has the same meaning as in Condition 24A.3 (but for any Relevant Year for which a reduction is required to be made pursuant to paragraph 24C.4 or 24C.5 adjusted accordingly);

“Discount Yield” has the meaning given to it in paragraph 24C.2;



“Packages” means charges or combinations of charges to which Condition 17A applies, but does not include any scheme made available by the Licensee for the purpose of complying with the obligations imposed on it by Condition 24D (Residential Low User Scheme);

“Percentage Discount Yield” is the Discount Yield for a Relevant Year expressed as a percentage of the Controlled Revenue in the Relevant Financial Year;

“Relevant Financial Year” has the same meaning as in Condition 24A.15;

“Relevant Year” has the same meaning as in Condition 24A.15, but includes the period 1 August 1992 to 31 July 1993;

“Score” is the Percentage Discount Yield for the Relevant Year ended 31 July 1993, subject to any adjustments made under paragraphs 24C.3, 24C.4 and 24C.5.

## **CONDITION 24D**

### **RESIDENTIAL LOW USER SCHEME**

- 24D.1 As soon as reasonably practicable after 1 August 1993 and in any event no later than 1 January 1994 the Licensee shall introduce and within three months of that date make generally available and thereafter continue to make generally available during the whole of any period which falls within any Relevant Year a scheme ("the Scheme") the effect of which would be to reduce (as compared with the Licensee's standard charges published in accordance with Condition 16.1 (a)) the aggregate of charges for line rentals and for calls payable to the Licensee by those of its residential customers who make, as compared with the generality of such customers, relatively few telephone calls which immediately after passing across the Network Termination Points interfacing with them are conveyed by any of the Applicable Systems.
- 24D.2 The Licensee's administrative costs in deciding, and notifying the relevant customers of, entitlement to be charged on the basis of the Scheme shall not be brought into account for the purposes of Condition 24A.
- 24D.2A No increase in the revenue forgone by the Licensee as a result of the operation of the Scheme (above the amount of the change in the Retail Prices Index as calculated under Condition 24A.14) shall be brought into account for the purposes of Condition 24A, but any such increase (as measured from 1 August 1995) may be brought into account for the purpose of calculating the Discount Yield under Condition 24C.
- 24D.3 The Scheme shall comply with guidelines to be agreed between the Director and the Licensee.
- 24D.4 Those guidelines:
- (a) shall specify the requirements to be met by the Scheme including the criteria to be applied by the Licensee in deciding which of its residential customers are entitled to be charged on the basis of the Scheme; and
  - (b) may not be revoked or varied save with the prior written agreement of the Licensee.
- 24D.5 In this Condition:
- "Network Termination Point" has the same meaning as in Annex A to this Licence;
- "Relevant Year" has the same meaning as in Condition 24A.15.

## **CONDITION 24E**

### **CONTROL OF "HARD-WIRED" AND OTHER TELEPHONE RENTALS**

- 24E.1 The Licensee shall ensure that no periodic or other charge in respect of renting from the Licensee telephone apparatus to which paragraph 24E.2 applies increases during any Relevant Year (as defined in Condition 24A.15) by more than the amount of the change in the Retail Prices Index (as so defined) in the period of 12 months ending on 30 June immediately before the beginning of that Year.
- 24E.2 This paragraph applies to telephones, other than telephones described in paragraph 24E.3 below ("the excepted telephones"), which are not capable of being connected to the Licensee's Applicable Systems at a Network Termination Point by means of a fitted plug which complies with British Standard number 6312 : 1985 as published on 28 February 1985, for example, telephones which are only capable of being connected to those Systems by means of hard-wiring or round-pin plugs.
- 24E.3 The excepted telephones are:
- (a) ISDN telephones;
  - (b) telephones which are connected to the Applicable Systems by means of a single line PBX; and
  - (c) telephones which are connected by a means other than a plug of the kind described in paragraph 24E.2 above for the purposes of ensuring safety in a hazardous environment.

## **CONDITION 24F**

### **FURTHER PROVISIONS RELATING TO GENERAL PRICES**

#### **24F.1 In this Condition:**

- (a) a "General Price (Type A)" means a proposed General Price which is less than the aggregate (the "Aggregate Cost") of the Retail Cost, the Delivery Outpayment Cost (if applicable), the Conveyance Outpayment Cost (if applicable) and the Network Cost which are attributable in each case to the provision of the relevant Retail Service before the implementation of the proposed change in General Price;

other than a proposed General Price which is less than the Aggregate Cost:

- (i) as a result of the application of any law (including a regulatory control, which includes a voluntary commitment in the nature of a regulatory control) other than the provisions of paragraphs 24A.1 to 24A.13 or as a result of any regulatory or other action by Government, by the Director or by any other regulatory agent but is set at the highest level to which the Licensee is permitted to raise that General Price; or
  - (ii) for any reason, but which would be greater than the General Price before the implementation of the proposed change in General Price; and
- (b) a "General Price (Type B)" means a proposed General Price which is not a General Price (Type A).

**24F.2** The Licensee shall, as soon as practicable after the coming into force of this Condition, publish in accordance with paragraphs 24F.7 and 24F.8 details of the matters which it and the Director have agreed, on or before the date on which this Condition comes into force, should be excluded from the definition of "General Price" in paragraph 24F.21.

**24F.3** Where the Licensee proposes a change to a General Price, whether through the introduction of a Special Offer or otherwise, it shall send to the Director, in the manner and at the time specified in paragraph 24F.4 or 24F.5, as the case may be, a written notice (a "Price Change Notice") specifying:

- (a) the General Price before the implementation of the proposed change in that General Price;
- (b) the General Price after the implementation of the proposed change in that General Price;
- (c) the following elements attributable to the provision of the relevant Retail Service both before the implementation of the proposed change

in that General Price and after the implementation of that proposed change identifying separately:

- (i) the Retail Cost;
  - (ii) the Delivery Outpayment Cost (if applicable);
  - (iii) the Conveyance Outpayment Cost (if applicable);
  - (iv) the Network Cost showing separately the Transfer Charge for each Network Component and each Network Part used for the provision of the relevant Retail Service;
- (e) in the case of a change in a proposed General Price through the introduction of a Special Offer, the period of time not exceeding three months for which the Licensee proposes to offer the new General Price; and
- (f) any charge for a Standard Service which the Licensee is required to notify to an Operator in accordance with paragraph 24F.11 (b) or 24F.14 (b).

24F.4 In the case of a General Price (Type A) the Licensee shall send the Price Change Notice to the Director before the publication of any notice required under Condition 16 of a change in a General Price. The Licensee shall not publish a notice pursuant to Condition 16 relating to the proposed new General Price or make that new General Price available to any customer unless the Director has given his prior written consent, which shall not be unreasonably withheld.

24F.5 In the case of a General Price (Type B) the Licensee shall send the Price Change Notice to the Director as soon as reasonably practicable before it publishes any notice required under Condition 16 of the change in the General Price.

24F.6 As soon as the Licensee becomes aware that the Delivery Outpayment Cost attributable to the provision of a Retail Service, assessed in the manner notified by the Director to the Licensee from time to time as an average over a period of three months, has for any reason been at a level such that had the General Price for that Retail Service been a proposed General Price it would have been a General Price (Type A), the Licensee shall, as soon as practicable after it has become so aware, send to the Director a Price Change Notice. Following receipt of the Price Change Notice, the Director may direct the Licensee to increase that General Price to a level not above the level at which, had that General Price been a proposed General Price it would have been a General Price (Type B) and, notwithstanding Condition 24A, the Licensee shall increase that General Price accordingly.

24F.7 Subject to paragraph 24F.9, the Licensee shall send a copy of the Price Change Notice to any person who may (after the publication of the notice in

accordance with Condition 16 of a change in a General Price) request one, on payment of a reasonable charge. The Licensee shall, subject to paragraph 24F.9, send a copy of the Price Change Notice so requested within seven working days after receiving payment of that charge.

- 24F.8 At the same time as the Licensee publishes a notice in accordance with Condition 16 of a change in General Price, it shall make available and continue to make available in a publicly accessible part of every Major Office of the Licensee in the place as is required by Condition 16.3 (b) a notice of the address and telephone number of the person to whom any request for a copy of the Price Change Notice may be made.
- 24F.9 The Licensee shall be entitled to exclude from any Price Change Notice which it is obliged to send to any person who may require one pursuant to paragraph 24F.7 any matter to the exclusion of which the Director shall have consented following representations to him on the matter by the Licensee on the basis that if the matter were made available in accordance with paragraph 24F.7 it would or might, in the opinion of the Director, seriously and prejudicially affect the interests of the Licensee.
- 24F.11 In the case of a change to a General Price, otherwise than through the introduction of a Special Offer, if the Network Cost attributable to the provision of the relevant Retail Service after the implementation of the proposed change in a General Price is different from the Network Cost attributable to the provision of the relevant Retail Service before the implementation of the proposed change in a General Price, at the same time as the Licensee publishes any notice in accordance with Condition 16 of a change in a General Price:
- (a) the charge payable by each relevant Operator for any relevant Standard Service shall be revised by the Licensee as necessary to take account of the difference; and
  - (b) the Licensee shall notify each relevant Operator of any revised charges which shall have effect from the date on which the proposed General Price takes effect.
- 24F.14 In the case of a change to a General Price through the introduction of a Special Offer, if the Network Cost attributable to the provision of the relevant Retail Service after the implementation of the proposed change in a General Price is different from the Network Cost attributable to the provision of the relevant Retail Service before the implementation of the proposed change in a General Price, at the same time as the Licensee publishes any notice in accordance with Condition 16 of a change in a General Price:
- (a) the charge payable by each relevant Operator for any relevant Standard Service shall be revised by the Licensee as necessary for the duration of the Special Offer to take account of the difference; and

- (b) the Licensee shall notify each Operator of any revised charges which shall have effect from the date on which the proposed General Price takes effect for the duration of the Special Offer.

24F.15 Notwithstanding paragraphs 24F.11 and 24F.14, where the Director gives his written consent pursuant to paragraph 24F.4, he shall, following a representation by the Licensee at the same time that it sends a Price Change Notice to the Director pursuant to paragraph 24F.3, consider whether the charges specified in each of sub-paragraphs (a) in paragraphs 24F.11 and 24F.14 should not be revised in the case of any Standard Service which is not comprised within the same category of services as the relevant Retail Service. If he concludes that those charges should not be revised in the case of any Standard Service, he shall consent thereto and notify the Licensee at the same time as he gives his consent pursuant to paragraph 24F.4 and paragraphs 24F.11 and 24F.14 shall be applied accordingly.

24F.16 The Licensee shall not be entitled to introduce a Special Offer which the Director determines to be the same as or similar to a previous Special Offer in relation to the same Retail Service unless a period of three months has elapsed from the expiry of that previous Special Offer in relation to that Retail Service.

24F.19 (a) Before giving a direction under paragraph 24F.6 or a consent under paragraph 24F.4, 24F.9 or 24F.15, or before making a determination under paragraph 24F.16, the Director shall consult with the Licensee and (except in the case of paragraph 24F.4) Interested Parties. If he concludes that a direction, determination or consent is appropriate or that consent is not appropriate he shall notify the Licensee and (except in the case of paragraph 24F.4) Interested Parties of the proposed direction, determination, or consent or proposed refusal to give consent, as the case may be, and his reasons for proposing to give it or refuse to give consent, and give each of them a reasonable opportunity to make representations. On giving a direction, determination or consent, or refusing to give consent, he shall notify the Licensee and (except in the case of paragraph 24F.4) Interested Parties of the direction, determination or consent, or refusal to give consent, as the case may be, and his reasons for giving it or refusing to give consent.

(b) Each notification of reasons shall, as appropriate, set out the Director's reasons:

- (i) for proposing to give the direction, determination or consent or refusing to give consent, as the case may be; or
- (ii) for giving the direction, determination or consent or refusing to give consent, as the case may be;

those reasons being sufficient to give the Licensee a reasonable understanding of the proposed decision or decision, as the case may be.

24F.20 This Condition is without prejudice to Conditions 16, 16A, 17, 17A and 24A.

24F.21 In this Condition:

“Conveyance Outpayment Cost” means any payment made to any person by the Licensee in respect of the conveyance of a call which is not a Delivery Outpayment Cost;

“Delivery Outpayment Cost” means either:

- (i) the payment made by the Licensee to an International Operator for the delivery of an outgoing international call passed on to it by the Licensee assessed on the basis of the net settlement after taking account of receipts under the system of settlement provided for by the ITTCC and the cost incurred by the Licensee of the delivery of an incoming international call passed on to it by an International Operator; or
- (ii) the average payment made by the Licensee to Operators in the United Kingdom or to operators in the Isle of Man or the Channel Islands for the delivery of calls to or within any of those respective places; or
- (iii) the payment made by the Licensee to an Operator for the conveyance of an international call to a destination outside the United Kingdom, Isle of Man and Channel Islands;

“Exchange Line Price” means a General Price imposed by the Licensee for:

- (a) the use and Ordinary Maintenance; and
- (b) the connection or taking over;

of an Exchange Line;

“General Price” has the meaning given to it in Condition 24A except that it shall not include those General Prices agreed between the Director and the Licensee on or before the date on which this Condition comes into force but, subject to that exception, shall include charges (or groups of charges) (including the fee, if any) for services offered in combination with charges (or groups of charges) for other services (or groups of services) or with a periodic or non-periodic fee and which, if the relevant service (or group of services) was charged for separately or a fee was not payable, would be General Prices;

“Financial Statement” has the meaning given to it in Condition 20B;

“International Operator” means an operator recognised as such by the ITTCC;



“ITTCC” means the International Telegraph and Telephone Consultation Committee;

“Major Office” has the meaning given to it in Condition 16.4;

“Network Component” has the meaning given to it in Condition 16B;

“Network Cost” means:

- (a) in the case of a General Price which is not an Exchange Line Price, the aggregate of the Transfer Charges for each Network Component and each Network Part, as the case may be, applied to the provision of a Retail Service; and
- (b) in the case of an Exchange Line Price, the fully allocated costs of providing the service for which the Exchange Line Price is charged as shown in the Financial Statement of the relevant Business for the financial year in respect of which the charge is payable or, if that Financial Statement is not available, based on the latest available information;

“Network Part” has the meaning given to it in Condition 16B;

“Operator” means a person to whom the Licensee is obliged to provide a Standard Service pursuant to Condition 13;

“Ordinary Maintenance” has the meaning given to it in Condition 24A;

“Retail Cost” means the retail cost that is in the opinion of the Director appropriately allocated by the Licensee to the provision of a Retail Service;

“Retail Service” means a service provided by the Licensee to any person for which a General Price is charged;

“Special Offer” means a General Price offered by the Licensee for a limited period of time not exceeding three months specified by the Licensee at the time the General Price is first offered;

“Standard Service” has the meaning given to it in Condition 16B; and

“Transfer Charge” has the meaning given to it in Condition 16B.

## **CONDITION 25**

### **CHARGES FOR THE MAINTENANCE OF CERTAIN EXCHANGE LINES**

- 25.1 Subject to paragraph 25.2, the Licensee shall from time to time during every Relevant Year (as defined in Condition 24A.15) publish in accordance with Condition 16.3 its charges for the provision of services consisting of the maintenance and adjustment of any Exchange Line to which this Condition relates and the charge for maintenance and the charge for adjustment shall be uniform throughout the Licensed Area.
- 25.2 Nothing in this Condition shall preclude the Licensee from charging different amounts from those charged in respect of the generality of Exchange Lines to which this Condition relates where a customer contracts with the Licensee for the provision of service of a different quality than is provided in respect of the generality of Exchange Lines to which this Condition relates, provided always that the different quality service is available throughout those parts of the Licensed Area where there is a reasonable demand for it.
- 25.3 The Exchange Lines to which this Condition relates are those Exchange Lines (other than those installed in pursuance of Condition 42.2) used to provide simple voice telephony services in circumstances where only one Exchange Line is connected to the Served Premises at which those services are provided.
- 25.4 In this Condition "maintenance" includes repair.

## **CONDITION 26**

### **CHARGES FOR THE INSTALLATION OF CERTAIN EXCHANGE LINES**

- 26.1 The Licensee shall until 1 August 1997 publish in accordance with Condition 16.3 the charges or the method to be adopted for determining the charges for the installation of any Exchange Line to which this Condition relates ("Installation") and shall apply the charges or method so published uniformly throughout the Licensed Area.
- 26.2 Subject to paragraph 26.3, where any such Exchange Line is brought into service after 31 July 1993 and before 1 August 1994 the Licensee shall not charge more than £99 (excluding VAT) in total (being a flat rate) in respect of the costs of the Installation.
- 26.3 Where the man-hours of work involved in any Installation exceed 100 (or such lower number as the Director may determine for the purpose of this paragraph in relation to all Installations), the Licensee may charge the reasonable cost of those excess man-hours of work (in addition to the charge referred to in paragraph 26.2) and any other of its reasonable costs provided that the charge (or the method to be adopted for determining the charge) in respect of any such man-hour of work and any such cost has been published in accordance with Condition 16.3, save where the Director agrees with the Licensee as provided for by paragraph 26.4, in which case paragraph 26.5 shall apply instead of this paragraph 26.3.
- 26.4 On request by the Licensee, the Director may, if he considers it appropriate to do so and after consulting such organisations as appear to him to be representative of persons likely to be substantially affected agree with the Licensee that paragraph 26.3 is to have effect in relation to any Installation where the reasonable costs to the Licensee exceed such figure as may be agreed between the Director and the Licensee in relation to all Installations. If such agreement is made, paragraph 26.5 shall apply.
- 26.5 Where the Licensee's reasonable costs in respect of an Installation exceed such figure as may from time to time be agreed between the Licensee and the Director in relation to all Installations, the Licensee may charge, in addition to any charge referred to in paragraph 26.2, the amount by which those costs exceed that figure, provided that the method to be adopted for determining the Licensee's charges in respect of such costs shall have been published in accordance with Condition 16.3.
- 26.6 The Licensee shall ensure that a person eligible for an installation to which paragraph 26.7 applies is notified that he may, should he so wish, pay the charge for it by an initial payment, which shall not exceed 25 per cent. of the total charge, followed by not less than four equal quarterly instalments (in respect of which the Licensee may charge a reasonable rate of interest and a reasonable administration fee) and, where that person indicates his wish so to pay, the Licensee shall bill him accordingly, subject to the Licensee's right to refuse such an instalment facility where it reasonably considers that

there is a substantial risk that the person concerned would not make repayment in accordance with his agreement with the Licensee relating to the installation. On request by the Licensee, the Director may, if he considers it appropriate to do so and after consulting such organisations as appear to him to be representative of persons likely to be substantially affected, consent to the Licensee's charging a different initial payment and different instalments from those referred to above in this paragraph 26.6.

26.7 This paragraph applies to the installation of an Exchange Line to which this Condition relates at residential premises where the Exchange Line is to be used for private (as distinct from business) purposes, not being an Exchange Line:

- (a) which, if provided (whether or not together with any other Exchange Line), would mean that the customer concerned would have more than one Exchange Line (whether or not at the same premises);
- (b) additional to a similar facility obtained by the customer concerned (whether or not at the same premises) from a person or body other than the Licensee;
- (c) for a customer who runs a switched telecommunications system (whether or not at the same premises); or
- (d) of a class falling within those classes of line listed in sub-paragraph 2.2 of the Guidelines relating to the residential Low User Scheme agreed between the Director and the Licensee under paragraph 24D.3 of Condition 24D.

26.8 The Exchange Lines to which this Condition relates are those Exchange Lines to which Condition 25 relates.

## **CONDITION 27**

### **CODE OF PRACTICE FOR CONSUMER AFFAIRS**

- 27.1 The Licensee shall, in consultation with the Director, prepare and not later than three months after the date on which this Licence enters into force publish in accordance with Condition 16.3 a Code of Practice giving guidance to the Licensee's customers and employees in respect of any disputes and complaints relating to the provision by the Licensee of telecommunication services by means of, or in relation to, any of the Applicable Systems.
- 27.2 The Licensee shall consult the Director not less frequently than once every three years about the operation of the Code of Practice.

## **CONDITION 28**

### **ARBITRATION OF DISPUTES WITH CUSTOMERS**

- 28.1 The Licensee shall include in the standard terms and conditions on which it provides telecommunication services provisions giving persons who have entered into contracts with it for the provision of telecommunication services by the Licensee by means of, or in relation to, any of the Applicable Systems the opportunity to refer to an inexpensive independent arbitration procedure, instead of to a court of law, any dispute relating to the provision of those services which does not involve a complicated issue of law or a sum greater than such sum as the Director may from time to time determine. The arbitration procedures and the method of appointment of the arbitrators shall be subject to consultation with the Director and the Licensee shall consult the Director not less frequently than once every five years about the operation of the arbitration procedures.

## **CONDITION 29**

### **BODIES RECOGNISED TO BE REPRESENTING THE INTERESTS OF CONSUMERS**

29.1 The Licensee shall give due consideration to any matter which relates to:

- (a) telecommunication services provided by means of or in relation to any of the Applicable Systems;
- (b) telecommunication apparatus supplied by the Licensee; or
- (c) the connection to any of the Applicable Systems:
  - (i) of any telecommunication system run by any person other than the Licensee; or
  - (ii) any telecommunication apparatus;

and which is the subject of a representation made to the Licensee by either:

- (aa) a body recognised by the Secretary of State under section 27 of the Act, after consultation with the Licensee, as representing the interests of consumers and other users of such telecommunication services or apparatus; or
- (bb) an advisory body established by the Secretary of State under section 54 (1) of the Act.

29.2 The Licensee shall, if requested by the Director or if it sees fit, furnish to the Director particulars of any matter considered by the Licensee under this Condition or a digest of activities undertaken in any period in pursuance of this Condition.

## **CONDITION 30**

### **METERING, BILLING, ETC.**

- 30.1 As regards any description of meter in use on a date specified by the Director in connection with any of the Applicable Systems and so specified, the Licensee shall apply for approval as soon as practicable and in any case not later than such date as the Director may determine in relation to that description of meter.
- 30.2 As regards any description of meter specified by the Director and not in use in connection with the Applicable Systems on the date specified under paragraph 30.1, the Licensee shall, unless the Director consents otherwise, apply for approval no later than such date as further specified by the Director or not less than six months before the date on which the Licensee intends to bring that meter into such use, whichever shall be the later.
- 30.3 The Licensee shall not after such date as the Director may determine in relation to any description of meter specified by him, keep in or bring into use in connection with any of the Applicable Systems, any description of meter so specified which is not approved or for which the Licensee has not made an application for approval.
- 30.4 Where approval is not granted to or is withdrawn from a particular description of meter the Licensee shall, as soon as is reasonably practicable, either:
- (a) inform the Director of the action to be taken by the Licensee to remedy the absence of approval in relation to that description of meter and the anticipated date of such approval; or
  - (b) inform the Director that the Licensee intends to cease use of that description of meter in connection with any of the Applicable Systems within a time reasonably practicable to the Licensee. On request of the Director, the Licensee shall provide the Director with a timetable for the withdrawal of that description of meter.
- 30.5 The Licensee shall not render any bill in respect of any description of telecommunication service provided by means of any of the Applicable Systems unless every amount (other than an indication of unit charge) stated in that bill is no higher than an amount which represents the true extent of any such service actually provided by the Licensee to the customer in question. In this paragraph 30.5 "customer" does not include an Operator within the meaning of Condition 13.
- 30.6 Without prejudice to the generality of paragraph 30.5, the Licensee shall at all times maintain in operation such a billing process as facilitates compliance by the Licensee with, and is calculated to prevent contravention by it of, that paragraph.



- 30.7 The Licensee shall not be regarded as being in contravention of its obligation under paragraph 30.5 except where the failure is in relation to the billing process and the Licensee has failed to take all reasonable steps to prevent a contravention of that obligation.
- 30.8 The Licensee shall keep such records as may be necessary or as may be determined by the Director to be necessary for the purpose of satisfying him that the billing process has the characteristics specified in relation to it by paragraph 30.6, provided that nothing in this paragraph shall require the Licensee to retain any records for more than 2 years from the date on which they came into being.
- 30.9 For the purpose of giving the Director an independent quality assurance from time to time that the billing process has the characteristics specified in relation to it by paragraph 30.6, the Licensee shall where the Director has prima facie grounds to believe the billing process does not have those characteristics and has so notified the Licensee, extend its prompt co-operation to the Director and, in particular, on request by the Director shall:
- (a) furnish the Director in accordance with his reasonable requirements with any information, document (including any facility enabling him to read data not held in readable form) or other thing;
  - (b) carry out (or cause to be carried out by such person having such special expertise as the Director may specify and to whom the Director has raised no reasonable objection) in such manner as the Director may specify an examination of the whole or any part of the billing process and as soon as practicable after the conclusion of such examination furnish the Director with a written report by the Licensee or such specified person, as the case may be, of the results of such examination;
  - (c) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, access to any relevant premises, plant or equipment of the Licensee;
  - (d) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, to examine or test the whole or any part of the billing process including any plant or equipment whether or not forming part of any of the Applicable Systems;
  - (e) for the purpose of paragraph 30.9 (c) and (d), allow the Director to be accompanied by any person as the Director may specify and to whom the Licensee has raised no reasonable objection whose assistance he might reasonably require for the purpose mentioned at the beginning of this paragraph provided that the Director shall have given the Licensee notice (save in exceptional circumstances of at least 5 working days) of the identity of that person; and